

CLIMATE INVESTMENT FUNDS

CTF/TFC.4/6
October 13, 2009

Meeting of the CTF Trust Fund Committee
Washington, D.C.
October 27, 2009

CLEAN TECHNOLOGY FUND QUARTERLY OPERATIONS SUMMARY

Proposed Trust Fund Committee Decision

The Trust Fund Committee reviewed document CTF/TFC.4/6, *Clean Technology Fund Quarterly Operations Summary*, and welcomes the progress that has been made in advancing the CTF pipeline in the three countries for which the Committee has endorsed investment plans and in advancing work to prepare additional investment plans.

Introduction

1. The purpose of this note is to provide the CTF Trust Fund Committee with a quarterly report on the status of CTF operations. Part I summarizes the status of the pipeline of projects in CTF Investment Plans that has been endorsed by the Trust Fund Committee. Part II provides an update on the preparation of Investment Plans.

Status of CTF project pipeline

2. At its meeting in January 2009, the CTF Trust Fund Committee reviewed the Investment Plans for Egypt, Mexico and Turkey, endorsed a CTF resource envelope for projects/programs in the plans, and authorized the designated multilateral development bank (MDB) to proceed with the development and preparation of individual investment operations for CTF co-financing. The proposed pipeline of projects/programs was described in annexes of each Investment Plan.

3. Prior to appraisal, a proposed program or project, developed pursuant to the Investment Plan, will be submitted by the relevant MDB to the Trust Fund Committee for approval of trust fund financing. The further processing of a program or project in an investment plan will follow the MDB's policies and procedures for appraisal, MDB Board approval, and supervision.

Table 1: Status of CTF Project Pipeline

EGYPT - INVESTMENT PLAN: \$300 MILLION IN CTF FINANCING		
Project	Notional CTF Amount	Key Milestones
Public-Private Partnership for Wind Commercialization (AfDB/IFC)	\$50 million	<i>AfDB</i> : Golf El-Zeytt wind Farm is currently under restructuring in collaboration with NREA, the private developer and the AfDB. Concept Note expected in February 2010. Appraisal of the project will be in November 2010. <i>IFC</i> : A programmatic approach involving other wind farms together with the wind farms specifically mentioned in the investment plan is being considered.
Wind Energy Development Project (formerly, Transmission System Upgrade for Wind Commercialization) (IBRD)	\$150 million	Project Concept Note Review: August 5, 2009 IBRD Board Date: May 2010
Greater Cairo Urban Transport (IBRD)	\$100 million	Project Concept Note Review: October 2009 IBRD Board: July 2010

MEXICO - INVESTMENT PLAN: \$500 MILLION IN CTF FINANCING		
Project	Notional CTF Amount	Key Milestones
Urban Transport (<i>IBRD</i>)	\$200 million	Allocation of CTF Co-Financing Approved by CTF Trust Fund Committee: October 8, 2009 IBRD Board: December 2009
Renewable Energy Program (<i>IDB</i>) (To include public sector and private sector project components)	\$125 million	Mexico Renewable Energy Program Proposal for \$50 million envelope for private sector renewable energy projects, and \$500,000 for technical cooperation to be submitted to TFC in October 2009. First project to IDB Board: December 2009. Mexico Renewable Energy Program Proposal for upto \$75m for a public sector financing facility. To be submitted to TFC in December 2009/ January 2010. IDB Board: February/March 2010.
Energy Efficiency Program (<i>IDB</i>) (To include public sector and private sector project components)	\$75 million	Proposal for public/private sector energy efficiency program – Carbon Footprint Reduction for Financial Institutions - to be submitted to TFC in December 2009. First project to IDB Board: January/February 2009.
Lighting and Appliances Efficiency (<i>IBRD</i>)	\$50 million	Project Concept Note Review: April 1, 2009 IBRD Board: March 2010
Private Sector Energy Program (<i>IFC</i>)	\$50 million	In May 2009, the Trust Fund Committee reviewed and approved CTF financing for the IFC project, <i>Mexico: Private Sector Wind Development</i> (\$15.6 million). IFC Board: December 2009 The proposal, co-financed by an IDB loan, is part of a larger public/private sector IFC/IDB programmatic approach to sector.

TURKEY - CTF INVESTMENT PLAN: \$250 MILLION IN CTF FINANCING		
Project	Notional CTF Amount	Key Milestones
Private Sector Renewable Energy and Energy Efficiency (<i>IBRD</i>)	\$100 million (approved allocation)	IBRD Board: May 28, 2009 CTF Loan Effective: August 12, 2009
Energy Efficiency Financing (<i>EBRD/IFC</i>)	\$60 million	In September 2009, the Trust Fund Committee reviewed and approved CTF financing for the IFC project, <i>Turkey: Commercializing Sustainable Energy Finance Program</i> (\$21.7 million) The EBRD component had a concept review on October 9, 2009, and will be submitted to the Trust Fund Committee by the end of October/early November. The proposal will cover approximately US\$44m of CTF co-financing, for both energy efficiency and renewable energy.
Renewable Energy Financing (<i>EBRD/IFC</i>)	\$40 million	See above.
Transmission SmartGrid (<i>IBRD</i>)	\$50 million	Project Concept Note Review: mid-2011 IBRD Board: late-2011

Status of Preparation of CTF Investment Plans

4. The *CTF Guidelines for Investment Plans* establish the following steps for the preparation of investment plans:
 - (a) The country's designated focal point for the CTF should send a request to the World Bank Group and/or relevant RDB(s) for a joint mission to initiate the preparation of the CTF investment plan.
 - (b) Upon confirmation of country eligibility, the MDBs' country operations teams engage with the Government on potential for CTF investments in the country (or countries, in the case of regional approaches) and undertake an assessment of how these meet CTF criteria for significant greenhouse gas (GHG) emissions reductions, demonstration potential at scale, development impact and implementation potential, taking into account their country sector dialogue and transformational impact.
 - (c) If the MDBs' assessment confirms a potential fit with CTF investment criteria, a joint MDB mission is arranged to prepare an Investment Plan, under the leadership of the government.

5. The CTF Trust Fund Committee provided guidance to the MDBs that 15-20 Investment Plans should be prepared for its review. As of October 8, 2009, the status of preparation of CTF Investment Plans is summarized as follows:

(a) Investment Plans submitted for October 2009 Trust Fund Committee Meeting

- i. Morocco;
- ii. South Africa; and
- iii. Ukraine.

(b) Joint Missions planned/completed and preparation of Investment Plans underway

- i. Indonesia (planned for circulation to CTF Trust Fund Committee in January 2010);
- ii. Kazakhstan (January 2010);
- iii. Nigeria (November 2009);
- iv. Philippines (November 2009);
- v. Thailand (November 2009);
- vi. Vietnam (November 2009); and
- vii. Middle East and North Africa Regional Program for Concentrated Solar Power (November 2009).

(c) Joint MDB Assessments in progress: The MDBs have received requests for Investment Plan missions from the following countries and are assessing the potential for investments to meet CTF criteria:

- i. Colombia;
- ii. Chile; and
- iii. Kenya.